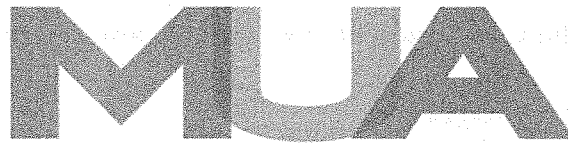


The
Management
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UNDERGRADUATE UNIVERSITY EXAMINATIONS

SCHOOL OF MANAGEMENT AND LEADERSHIP

DEGREE OF BACHELOR OF ARTS IN DEVELOPMENT STUDIES

BDS 311: ETHICS & DEVELOPMENT

DATE: 15TH DECEMBER 2016

DURATION: 2 HOURS

MAXIMUM MARKS: 70

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **SIX (6)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **THREE** questions.
6. Question **ONE** carries **25 MARKS** and the rest carry **15 MARKS** each.
7. **Write all your answers in the Examination answer booklet provided.**

QUESTION ONE

Read the Case Study below carefully and answer the questions that follow:

ABUSE OF OFFICE

Antony is a branch bank manager who is always keen for promotion. Unfortunately, he has been stuck in the same position in the bank for nearly ten years while his peers have all been promoted to senior positions. Recently, a nearby private housing development is opened for sale and has prompted the branch to initiate a marketing plan to attract new buyers. Antony's brother-in-law, David, is a property agent who is also trying to find business opportunities here.

During a family gathering, Antony tells David that his boss is now considering his promotion and adds that it would be a great boost to his prospects if he was able to secure a substantial market share of the mortgage loans on the estate. Antony also emphasizes how difficult such a task is in the face of intense competition with other banks. On hearing this, David agrees to help Antony by encouraging his potential clients to apply for mortgage loans in Antony's branch. As a token of thanks, Antony proposes to offer David commission out of his own pocket.

Required

- a) In your opinion, what is the remedy to rising of unethical business activities by the employees? Justify your answer (5 Marks)
- b) You have been approached by the employer of Antony to develop and implement a code of Ethics of Business Ethics as an internal control mechanism to this rising vice in the organization.

Describe the steps involved in the process of implementing a code of conduct of Business Ethics (12 Marks)

- c) Explain any four common unethical issues in business activities which calls for management interventions through strong corporate governance

(8 Marks)

QUESTION TWO:

- a) Describe each of the following as used in Ethics
 - i. Teleological Theories (2 Marks)

- ii. Deontological Theories (2marks)
- iii. Virtue theory (2 Marks)
- b) Discuss six benefits of good business ethics (6 marks)
- c) In the Kenya context, analyze any three major issues in Aid Ethics issues in international aid ethics (3 Marks)

QUESTION THREE:

- a) Describe any three essential characteristics of a corporate entity and, clearly indicate how it contributes to development of a nation
 - i. Limited liability (2 Marks)
 - ii. Transferability of investor interests (2 Marks)
 - iii. Legal personality (2 Marks)
 - iv. Centralized management
- b) Using appropriate examples discuss the 3 C's of Business ethics (9 Marks)

QUESTION FOUR:

- a) With appropriate examples examine any five significance of business ethics (5 Marks)
- b) Explain FIVE principles of Good Corporate Governance Practices and their respective any contribution to development (10 Marks)

QUESTION FIVE:

- a) Explain relationship between Corporate social responsibility and ethics in relation to development (3marks)
- b) State three arguments for and against corporate social responsibility (6 Marks)
- c) With appropriate example identify any three policy bottlenecks that negatively impact on development (6 Mark)

QUESTION SIX:

a) Define the following terms;

- i. Corporate governance (1 Mark)
- ii. Public policy (1 Mark)
- iii. Business Ethics (1 Mark)
- iv. Belief; (1 Mark)
- v. Attitude (1 Mark)

b) Using Kohlberg's stages of moral development, explain the stages in thinking about right and wrong that everyone goes through while growing up

(10 Marks)